

Introduced by Senator Hill

February 22, 2013

An act to amend Section 2827.10 of the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 699, as introduced, Hill. Electricity: net energy metering.

Existing law establishes a net energy metering program that is available to an eligible fuel cell customer-generator, which is defined as a customer of an electrical corporation that, among other things, uses a fuel cell electrical generating facility with capacity of not more than one megawatt. Existing law requires that the net metering calculation be made by measuring the difference between the electricity supplied to the eligible fuel cell customer-generator and the electricity generated by the eligible fuel cell customer-generator and fed back to the electrical grid over a 12-month period. Existing law requires every electrical corporation to file a standard tariff with the Public Utilities Commission providing for net energy metering for those customers.

This bill would make a nonsubstantive change to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 2827.10 of the Public Utilities Code is
- 2 amended to read:
- 3 2827.10. (a) As used in this section, the following terms have
- 4 the following meanings:

1 (1) “Electrical corporation” means an electrical corporation, as
2 defined in Section 218.

3 (2) “Eligible fuel cell electrical generating facility” means a
4 facility that includes the following:

5 (A) Integrated powerplant systems containing a stack, tubular
6 array, or other functionally similar configuration used to
7 electrochemically convert fuel to electric energy.

8 (B) An inverter and fuel processing system where necessary.

9 (C) Other plant equipment, including heat recovery equipment,
10 necessary to support the plant’s operation or its energy conversion.

11 (3) (A) “Eligible fuel cell customer-generator” means a
12 customer of an electrical corporation that meets all the following
13 criteria:

14 (i) Uses a fuel cell electrical generating facility with a capacity
15 of not more than one megawatt that is located on or adjacent to
16 the customer’s owned, leased, or rented premises, is interconnected
17 and operates in parallel with the electrical grid while the grid is
18 operational or in a grid independent mode when the grid is
19 nonoperational, and is sized to offset part or all of the eligible fuel
20 cell customer-generator’s own electrical requirements.

21 (ii) Is the recipient of local, state, or federal funds, or who
22 self-finances projects designed to encourage the development of
23 eligible fuel cell electrical generating facilities.

24 (iii) Uses technology the commission has determined will
25 achieve reductions in emissions of greenhouse gases pursuant to
26 subdivision (b), and meets the emission requirements for eligibility
27 for funding set forth in subdivision (c), of Section 379.6.

28 (B) For purposes of this paragraph, a person or entity is a
29 customer of the electrical corporation if the customer is physically
30 located within the service territory of the electrical corporation
31 and receives bundled service, distribution service, or transmission
32 service from the electrical corporation.

33 (4) “Net energy metering” means measuring the difference
34 between the electricity supplied through the electrical grid and the
35 difference between the electricity generated by an eligible fuel cell
36 electrical generating facility and fed back to the electrical grid over
37 a 12-month period as described in subdivision (e). Net energy
38 metering shall be accomplished using a time-of-use meter capable
39 of registering the flow of electricity in two directions. If the existing
40 electrical meter of an eligible fuel cell customer-generator is not

capable of measuring the flow of electricity in two directions, the eligible fuel cell customer-generator shall be responsible for all expenses involved in purchasing and installing a meter that is able to measure electricity flow in two directions. If an additional meter or meters are installed, the net energy metering calculation shall yield a result identical to that of a time-of-use meter.

(b) (1) Every electrical corporation, ~~not later than March 1, 2004,~~ shall file with the commission a standard tariff providing for net energy metering for eligible fuel cell customer-generators, consistent with this section. Subject to the limitation in subdivision (f), every electrical corporation shall make this tariff available to eligible fuel cell customer-generators upon request, on a first-come-first-served basis, until the total cumulative rated generating capacity of the eligible fuel cell electrical generating facilities receiving service pursuant to the tariff reaches a level equal to its proportionate share of a statewide limitation of 500 megawatts cumulative rated generation capacity served under this section. The proportionate share shall be calculated based on the ratio of the electrical corporation's peak demand compared to the total statewide peak demand.

(2) To continue the growth of the market for onsite electric generation using fuel cells, the commission may review and incrementally raise the limitation established in paragraph (1) on the total cumulative rated generating capacity of the eligible fuel cell electrical generating facilities receiving service pursuant to the tariff in paragraph (1).

(c) In determining the eligibility for the cumulative rated generating capacity within an electrical corporation's service territory, preference shall be given to facilities that, at the time of installation, are located in a community with significant exposure to air contaminants or localized air contaminants, or both, including, but not limited to, communities of minority populations or low-income populations, or both, based on the ambient air quality standards established pursuant to Section 39607 of the Health and Safety Code.

(d) (1) Each net energy metering contract or tariff shall be identical, with respect to rate structure, all retail rate components, and any monthly charges, to the contract or tariff to which the customer would be assigned if the customer was not an eligible fuel cell customer-generator. Any new or additional demand

1 charge, standby charge, customer charge, minimum monthly
2 charge, interconnection charge, or other charge that would increase
3 an eligible fuel cell customer-generator's costs beyond those of
4 other customers in the rate class to which the eligible fuel cell
5 customer-generator would otherwise be assigned are contrary to
6 the intent of the Legislature in enacting this section, and may not
7 form a part of net energy metering tariffs.

8 (2) The commission shall authorize an electrical corporation to
9 charge a fuel cell customer-generator a fee based on the cost to
10 the utility associated with providing interconnection inspection
11 services for that fuel cell customer-generator.

12 (e) The net metering calculation shall be made by measuring
13 the difference between the electricity supplied to the eligible fuel
14 cell customer-generator and the electricity generated by the eligible
15 fuel cell customer-generator and fed back to the electrical grid
16 over a 12-month period. The following rules shall apply to the
17 annualized metering calculation:

18 (1) The eligible fuel cell customer-generator shall, at the end
19 of each 12-month period following the date of final interconnection
20 of the eligible fuel cell electrical generating facility with an
21 electrical corporation, and at each anniversary date thereafter, be
22 billed for electricity used during that period. The electrical
23 corporation shall determine if the eligible fuel cell
24 customer-generator was a net consumer or a net producer of
25 electricity during that period. For purposes of determining if the
26 eligible fuel cell customer-generator was a net consumer or a net
27 producer of electricity during that period, the electrical corporation
28 shall aggregate the electrical load of the meters located on the
29 property where the eligible fuel cell electrical generation facility
30 is located and on all property adjacent or contiguous to the property
31 on which the facility is located, if those properties are solely
32 owned, leased, or rented by the eligible fuel cell
33 customer-generator. Each aggregated account shall be billed and
34 measured according to a time-of-use rate schedule.

35 (2) At the end of each 12-month period, where the electricity
36 supplied during the period by the electrical corporation exceeds
37 the electricity generated by the eligible fuel cell customer-generator
38 during that same period, the eligible fuel cell customer-generator
39 is a net electricity consumer and the electrical corporation shall
40 be owed compensation for the eligible fuel cell

1 customer-generator's net kilowatthour consumption over that same
2 period. The compensation owed for the eligible fuel cell
3 customer-generator's consumption shall be calculated as follows:

4 (A) The generation charges for any net monthly consumption
5 of electricity shall be calculated according to the terms of the tariff
6 to which the same customer would be assigned to or be eligible
7 for if the customer was not an eligible fuel cell customer-generator.

8 When the eligible fuel cell customer-generator is a net generator
9 during any discrete time-of-use period, the net kilowatthours
10 produced shall be valued at the same price per kilowatthour as the
11 electrical corporation would charge for retail kilowatthour sales
12 for generation, exclusive of any surcharges, during that same
13 time-of-use period. If the eligible fuel cell customer-generator's
14 time-of-use electrical meter is unable to measure the flow of
15 electricity in two directions, paragraph (4) of subdivision (a) shall
16 apply. All other charges, other than generation charges, shall be
17 calculated in accordance with the eligible fuel cell
18 customer-generator's applicable tariff and based on the total
19 kilowatthours delivered by the electrical corporation to the eligible
20 fuel cell customer-generator. To the extent that charges for
21 transmission and distribution services are recovered through
22 demand charges in any particular month, no standby reservation
23 charges shall apply in that monthly billing cycle.

24 (B) The net balance of moneys owed shall be paid in accordance
25 with the electrical corporation's normal billing cycle.

26 (3) At the end of each 12-month period, where the electricity
27 generated by the eligible fuel cell customer-generator during the
28 12-month period exceeds the electricity supplied by the electrical
29 corporation during that same period, the eligible fuel cell
30 customer-generator is a net electricity producer and the electrical
31 corporation shall retain any excess kilowatthours generated during
32 the prior 12-month period. The eligible fuel cell customer-generator
33 shall not be owed any compensation for those excess kilowatthours.

34 (4) If an eligible fuel cell customer-generator terminates service
35 with the electrical corporation, the electrical corporation shall
36 reconcile the eligible fuel cell customer-generator's consumption
37 and production of electricity during any 12-month period.

38 (f) No fuel cell electrical generating facility shall be eligible for
39 the tariff unless it commences operation prior to January 1, 2015,
40 unless a later enacted statute, that is chaptered before January 1,

1 2015, extends this eligibility commencement date. The tariff shall
2 remain in effect for an eligible fuel cell electrical generating facility
3 that commences operation pursuant to the tariff prior to January
4 1, 2015. A fuel cell customer-generator shall be eligible for the
5 tariff established pursuant to this section only for the operating
6 life of the eligible fuel cell electrical generating facility.